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**SIXTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND**

Parishes of Iberia, St. Martin and St. Mary  
State of Louisiana

**ANNUAL FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITORS' REPORT**

and

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND COMPLIANCE AND OTHER MATTERS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

8/6/08

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#### **INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS**

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**INDEPENDENT AUDITORS' REPORT**

Mr. Craig Colwart, District Public Defender  
Sixteenth Judicial District Indigent  
Defender Fund  
Franklin, Louisiana

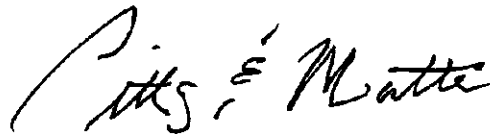
We have audited the accompanying financial statements of the governmental activities and the major fund (including the budgetary comparison) of the Sixteenth Judicial District Indigent Defender Fund as of and for the year ended December 31, 2007 which collectively comprise the Fund's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Sixteenth Judicial District Indigent Defender Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major fund of the Sixteenth Judicial District Indigent Defender Fund, as of December 31, 2007 and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Fund has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2008, on our consideration of the Sixteenth Judicial District Indigent Defender Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in black ink, appearing to read "Pitts & Matter". The signature is fluid and cursive, with the first name "Pitts" being more prominent than the second name "Matter".

CERTIFIED PUBLIC ACCOUNTANTS

June 27, 2008

# SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Statement of Net Assets December 31, 2007

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 584,210
Revenue receivables	
Court costs	112,163
Fees from indigents	
Current (less allowance of \$65,000)	<u>27,975</u>
Total current assets	<u>724,348</u>
Noncurrent assets	
Fees from indigents	
Noncurrent (less allowance of \$319,000)	<u>137,362</u>
Capital assets	
Equipment, net of accumulated depreciation	<u>38,015</u>
Total assets	<u>\$ 899,725</u>
<b>LIABILITIES and NET ASSETS</b>	
Liabilities	
Current liabilities	
Accounts payable	\$ 7,321
Payroll related payables	<u>4,649</u>
Total current liabilities	<u>11,970</u>
Noncurrent liabilities	
Compensated absences	26,000
Deferred revenue	<u>261,941</u>
Total noncurrent liabilities	<u>287,941</u>
Total liabilities	<u>299,911</u>
Net assets	
Invested in capital assets	38,015
Unrestricted	<u>561,799</u>
Total net assets	<u>599,814</u>
Total liabilities and net assets	<u>\$ 899,725</u>

The accompanying notes are an integral part of these financial statements.

# SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND

## Statement of Activities For the Year Ended December 31, 2007

	<u>Total</u>
<u>Expenses</u>	
Current:	
General government	
Judicial:	
Defending attorney's fees	\$ 531,548
Salaries	579,156
Taxes-payroll	43,033
Professional fees	41,874
Office supplies and expense	19,604
Telephone	14,805
Rent & Utilities	39,328
Equipment rental	7,903
Travel and meetings	27,519
Insurance	88,878
Maintenance	10,340
Dues & subscriptions	15,506
Court costs	5,009
Bonds	635
Pension expense	12,913
Contract services	8,031
Depreciation expense	<u>29,298</u>
Total program expenses	<u>1,475,380</u>
 <u>Program revenues</u>	
Court costs	
District courts	715,992
City courts	297,561
Net fees from indigents	38,677
Application fees from indigents	<u>45,524</u>
Total program revenues	<u>1,097,754</u>
 Net program expenses	<u>(377,626)</u>
 <u>General revenues</u>	
District assistance funds	261,642
Investment income	<u>8,475</u>
Total general revenues	<u>270,117</u>
 Change in net assets	(107,509)
Net assets-beginning of year	<u>707,323</u>
Net assets-end of year	<u>\$ 599,814</u>

The accompanying notes are an integral part of these financial statements.

**SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

**Balance Sheet - Governmental Fund  
December 31, 2007**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 584,210
Revenue receivable:	
Court costs	112,163
Fees from indigents	
Current (less allowance of \$65,000)	27,975
Noncurrent (less allowance of \$319,000)	<u>137,362</u>
 Total assets	 <u>\$ 861,710</u>
 <b>LIABILITIES, EQUITY AND OTHER CREDITS</b>	
Current Liabilities	
Accounts payable	\$ 7,321
Payroll related payables	<u>4,649</u>
 Total current liabilities	 <u>11,970</u>
 Noncurrent liabilities	
Deferred revenue	<u>261,941</u>
 Total noncurrent liabilities	 <u>261,941</u>
 Fund balances:	
Fund Balance	
Unreserved/undesignated	<u>587,799</u>
 Total fund balance	 <u>587,799</u>
 Total liabilities and fund balance	 <u>\$ 861,710</u>

Reconciliation of fund balance - governmental fund to the net  
assets of governmental activities:

Total fund balance - Governmental Fund	\$ 587,799
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet	38,015
Noncurrent liabilities are not due and payable in the current period and therefore, they are not reported in governmental fund balance sheet: Compensated absences	<u>(26,000)</u>
Net assets of governmental activities	<u>\$ 599,814</u>



**SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - Budget and Actual  
For the Year Ended December 31, 2007

	Original & Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Court costs			
District courts	\$ 665,000	\$ 715,992	\$ 50,992
City courts	282,000	297,561	15,561
Net fees from indigents	36,000	38,677	2,677
District Assistance Funds	375,000	261,642	(113,358)
Investment earnings	16,000	8,475	(7,525)
Application fees	36,000	45,524	9,524
Total revenues	<u>1,410,000</u>	<u>1,367,871</u>	<u>(42,129)</u>
<b>Expenditures</b>			
Current:			
General government:			
Judicial:			
Defending attorneys' fees	515,700	531,548	(15,848)
Salaries	570,000	569,156	844
Taxes - payroll	40,000	43,033	(3,033)
Professional fees	34,900	41,874	(6,974)
Office supplies and expense	13,500	19,604	(6,104)
Telephone	17,500	14,805	2,695
Rent & Utilities	40,300	39,328	972
Equipment rental	8,500	7,903	597
Travel and meetings	26,000	27,519	(1,519)
Insurance	84,000	88,878	(4,878)
Maintenance	5,100	10,340	(5,240)
Dues & subscriptions	8,500	15,506	(7,006)
Seminars	2,000	3,797	(1,797)
Court cost	800	1,212	(412)
Bonds	600	635	(35)
Pension expense	10,600	12,913	(2,313)
Contract services	20,000	29,298	(9,298)
Capital outlay	2,000	28,691	(26,691)
Total expenditures	<u>1,400,000</u>	<u>1,486,040</u>	<u>(86,040)</u>
Excess of revenues over expenditures	10,000	(118,169)	(128,169)
Fund balance, beginning of year	-	705,968	705,968
Fund balance, end of year	<u>\$ 10,000</u>	<u>\$ 587,799</u>	<u>\$ 577,799</u>

Net change in fund balance-Governmental Fund	\$ (118,169)
--	--------------

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$28,691) exceeded depreciation (\$8,031)

20,660

(10,000)

Change in net assets of governmental activities	\$ (107,509)
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SIXTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2007

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Sixteenth Judicial District Indigent Defender (Fund) was established by the Louisiana Public Defender Act (Act) effective in August 2007. The purpose of the Fund is to provide legal defense for indigent persons who are charged with crimes. The Fund serves the parishes of Iberia, St. Martin, and St. Mary, Louisiana. The Act provides that the Fund operates under the direction and management of the District Public Defender.

Prior to passage of the Act, similar services were provided in the same geographic area by the Sixteenth Indigent Judicial District Indigent Defender Board (ID Board). The Act provides that the operations, duties and functions of providing indigent defender services to be transferred from the ID Board to the Fund. In addition, all assets and liabilities, of the ID Board were transferred to the Fund.

All operations, assets and liabilities of the ID Board have been assumed by the Fund during August of 2007. Because of this, for financial reporting purposes, all activities of the predecessor ID Board and the successor Fund, are reported by the Fund as if the transfer took place at the beginning of the year.

The financial statements of the Fund have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

The Fund has not presented an MD & A that GASB has determined is necessary to supplement, although not required to be part of, the basic financial statements.

**A. Reporting Entity**

This report includes all funds and account groups for which the Fund has financial accountability. Financial accountability is determined upon the basis of:

- a. Financial benefit or burden
- b. Appointment of a voting majority
- c. Imposition of will
- d. Fiscally dependent

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Although the Fund is part of the state-wide public defender system (established by the Act and overseen by the Louisiana Public Defender Board), under the criteria as described above, the Fund operates independently and is considered an independent reporting entity with regard to the Louisiana Public Defender Board.

### B. Basic Financial Statements - Government-wide Financial Statements

The Government-wide financial statements include the Statement of Net Assets and the Statement of Activities which report all activities of the Fund as a whole. The government-wide presentation focuses primarily on the sustainability of the Fund as an entity and the change in the Fund's net assets resulting from the current year's activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

### C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Fund are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types". The following is a description of the fund utilized by the Fund.

#### Governmental Fund

##### General Fund

The General Fund is the only fund used by the Fund. The General Fund uses the current financial resources measurement focus. Only current assets and current liabilities are generally included on its balance sheet. Its operating statement presents sources and uses of available resources during a given period.

### D. Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Government-wide Statements

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the statement of activities present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

### Fund Financial Statements

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (the Fund uses a sixty day period after year end).

### E. Revenues

The following is a summary of the Fund's recognition policies for its major revenue sources:

Court costs and bond forfeitures are recorded when collected by the various courts within the sixteenth judicial district.

Fees from indigents are recorded upon the receipt of a court order directing indigents to pay for services rendered. In most cases, these fees are scheduled by the court system to be paid over a period of time with initial payments frequently scheduled to begin in future periods. At the time indigents are directed to make payments to the Fund, receivables are recorded. Payments scheduled to be received in the current period (within the next twelve months), are recorded as revenue. Payments scheduled to be received subsequent to the current period are recorded as deferred revenue. At the time these deferred revenues are expected to be collected, the amounts recorded as deferred revenue are recognized as revenue. An allowance for uncollectible fees is estimated by the Fund based upon collection history.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from grants is recognized when the Fund has met the requirements of the grant. Grant funds received for which the Fund has not yet met the specified grant requirements are recorded as deferred revenues until such time as the grant requirements are met, then the amounts are recognized as revenues.

Investment earnings are generally recorded when earned since they are measurable and available.

### F. Budgets

*The Fund adopts a budget for its General Fund.*

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at fiscal year end. Budgets are amended when necessary. Encumbrances are not recorded by the Fund.

### G. Cash And Cash Equivalents

For financial statement purposes, cash and cash equivalents include demand deposits.

Cash and cash equivalents are stated at cost, which approximates market.

### H. Fixed Assets

The accounting treatment over property, plant, equipment (fixed assets) depends on whether they are reported in the government-wide or fund financial statements.

#### Government-wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All purchased fixed assets are valued at historical cost. Fixed assets are reported at their historical cost or estimated fair market value less their accumulated depreciation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation is computed using the straight-line method based on the estimated useful life of the various assets. The Fund's fixed assets only consists of equipment and all are being depreciated over an estimated useful life of five years.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operation are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

#### I. Compensated Absences

Employees earn vacation and sick leave annually at varying rates depending upon length of service.

Accrued compensated absences for the year ended 2007 is \$26,000.

#### J. Equity Classifications

### Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a) Invested in capital assets - consists of capital assets net of accumulated depreciation.
- b) Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets"

### Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The Fund does not have a formal investment policy related to interest rate risk (the risk of an investment decreasing in value due to increasing interest rates).

In addition, the Fund does not have a formal investment policy related to credit risk (including concentrations of credit). However the Fund does follow state law as to limitations on types of deposits as described below.

The Fund does not invest in any investments subject to foreign currency risk.

## NOTE 2 - CASH AND CASH EQUIVALENTS (continued)

### Cash and cash equivalents

Under state law the Fund may deposit its funds with certain state and federally chartered financial institutions. These deposits are required to be insured or collateralized by the financial institutions.

At year end 2007 the carrying amount of the Fund's cash was \$584,210 and the bank balance was \$629,891 (\$152,314 was covered by FDIC insurance, and the remaining \$477,577, was collateralized with securities held by the financial institution, not in the Fund's name).

## NOTE 3 - FIXED ASSETS

Capital asset activity for the year ended December 31, 2007, is as follows:

	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2007</u>
Capital assets:				
Equipment	<u>\$82,719</u>	<u>\$28,691</u>	<u>\$(8,707)</u>	<u>\$102,703</u>
Total capital assets at historical costs	<u>82,719</u>	<u>28,691</u>	<u>(8,707)</u>	<u>102,703</u>
Less accumulated depreciation for:				
Equipment	<u>(65,364)</u>	<u>(8,031)</u>	<u>8,707</u>	<u>(64,688)</u>
Total accumulated depre- ciation	<u>(65,364)</u>	<u>(8,031)</u>	<u>8,707</u>	<u>(64,688)</u>
Total capital assets, net	<u>\$17,355</u>	<u>\$(20,660)</u>	<u>=</u>	<u>\$38,015</u>

## NOTE 4 - PENSION PLAN

All employees participate in the federal Social Security System. The Fund is required to remit an amount to the Social Security Administration equal to the employees' contribution. The Fund does not guarantee any of the benefits granted by the Social Security System.

The Fund established a defined contribution pension plan administered by an insurance agent. This plan is a simple IRA.



#### NOTE 4 - PENSION PLAN (continued)

Plan members may contribute up to a maximum of \$10,500 each annually and the Fund will match up to a maximum of three percent of the employees' salary. The Fund's actual contributions to the plan were \$12,913 for the year ended December 31, 2007, and the plan members actual contributions were \$22,877.

#### NOTE 5 - NET FEES FROM INDIGENTS

The following is a summary of fees, other than application fees, from indigents and its associated adjustments for the year ended December 31, 2007:

Fees charged to indigents	\$134,085
Add: Change in deferred portion of fees	<u>64,235</u>
Subtotal	198,320
Less: Indigent receivables written off during the year	(59,643)
Increase in allowance for uncollectibles	<u>(100,000)</u>
Net fees from indigents	<u>\$ 38,677</u>

#### NOTE 6 - RISKS AND UNCERTAINTIES

The Fund is exposed to various risks of loss related to torts, theft or damage to assets, errors and omissions, injuries to employees and natural disasters. The Fund has purchased commercial insurance to protect against most of these perils.

There were no significant reductions in insurance coverages from prior years.

#### NOTE 7 - AMOUNTS CURRENTLY DUE FROM GOVERNMENTAL ENTITIES

The following is a detail of amounts currently due from governmental entities at December 31, 2007:

St. Mary District Court	\$16,378
St. Martin District Court	39,175
Iberia District Court	13,416
Jeanerette City Court	700
New Iberia City Court	5,130
Breaux Bridge City Court	955
Morgan City City Court	24,891
Patterson City Court	8,085
16th Judicial District Attorney	593
St. Martinville City Court	1,960
St. Martin App. Fees	<u>880</u>
	<u>\$112,163</u>

## NOTE 8 - CONCENTRATIONS

The Fund received sixty-eight percent of its revenues from various courts in the area in the form of court costs. Forty-eight percent is collected from district courts and twenty percent from city courts.

## NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES

For the year ended December 31, 2007, the major sources of governmental fund revenues and expenditures were as follows:

### Revenues:

#### **State Government**

Appropriations - general	\$101,221
Appropriations - special	--
Revenue sharing	--
Grants (\$285,000 less \$124,579 deferred revenue)	160,421
On-behalf payments	--
Other	--
Total	<u>261,642</u>

#### **Local Government**

Appropriations - general	--
Appropriations - special	--
Grants	--
Statutory fines, forfeitures, fees, court Courts, and other	1,013,553
Taxes - millages, sales, special, and other	--
Criminal court fund	--
On-behalf payments	--
Other	--
Total	<u>1,013,553</u>

#### **Federal Government**

Grants - direct	--
Grants - indirect (passed-through state)	--
Total	<u>--</u>

#### **Other Grants and Contributions**

Non-profit organizations	--
Private organizations	--
Corporate	--
Other	--
Total	<u>--</u>

<b>Charges for Services</b>	<b>84,201</b>
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<b>Investment earnings</b>	<b>8,475</b>
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<b>Miscellaneous</b>	<b><u>--</u></b>
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<b>Total Revenues</b>	<b><u>\$1,367,871</u></b>
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## NOTE 9 - GOVERNMENTAL FUND REVENUES AND EXPENDITURES (continued)

### Expenditures:

#### **Personnel Services and Benefits**

Salaries	\$569,156
On-behalf payments - salaries	--
Retirement contributions	12,913
On-behalf payments - retirement	--
Insurance	61,567
On-behalf payments - insurance	--
Payroll taxes	43,033
Other	--
Total	<u>686,669</u>

#### **Professional Development**

Dues, licenses, and registrations	12,426
Travel	--
Other	--
Total	<u>12,426</u>

#### **Operating Costs**

Library and research	6,877
Contract services - attorney/legal	531,548
Contract services - other	29,298
Lease - office	27,140
Lease - autos and other	--
Travel - transportation	27,519
Travel - other	--
Insurance	27,311
Supplies	19,604
Repairs and maintenance	10,340
Utilities and telephone	26,992
Other	<u>51,625</u>
Total	<u>751,377</u>

**Debt Service** --

**Capital outlay** 28,691

Total Expenditures \$1,486,040

**INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
COMPLIANCE AND OTHER MATTERS SECTION**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Mr. Craig Colwart, District Public Defender  
Sixteenth Judicial District  
Indigent Defender Fund  
Franklin, Louisiana

We have audited the financial statements of the governmental activities and the major fund (including the budgetary comparison) of the Sixteenth Judicial District Indigent Defender Fund, as of December 31, 2007, which collectively comprise the Sixteenth Judicial District Indigent Defender Fund's basic financial statements and have issued our report thereon dated June 27, 2008, which contains an additional paragraph. The paragraph notes that management elected to omit Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Sixteenth Judicial District Indigent Defender Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sixteenth Judicial District Indigent Defender Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sixteenth Judicial District Indigent Defender Fund's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sixteenth Judicial District Indigent Defender Fund's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sixteenth Judicial District Indigent Defender Fund's financial statements that is more than inconsequential will not be prevented or detected by the Sixteenth Judicial District Indigent Defender Fund's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sixteenth Judicial District Indigent Defender Fund's internal control.

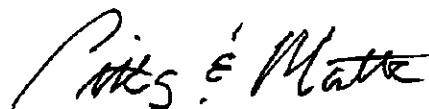
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sixteenth Judicial District Indigent Defender Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and questioned costs as item 2007-1.

The Fund's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Fund's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management of the Fund and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is considered a public record and may be distributed by the Legislative Auditor.



CERTIFIED PUBLIC ACCOUNTANTS

June 27, 2008

**SIXTEENTH JUDICIAL DISTRICT  
INDIGENT DEFENDER FUND**

Schedule of Findings, Questioned Costs, and Federal Awards  
For the Year Ended December 31, 2007

**A. SUMMARY OF AUDIT FINDINGS**

1. The auditors' report expressed an unqualified opinion on the financial statement of the Sixteenth Judicial District Indigent Defender Fund.
2. Report on Internal Control over Financial Reporting and Compliance and Other Matters Material to the Financial Statements

Internal Control over financial reporting

No findings are required to be reported for the year ended December 31, 2007.

Compliance

There was one instance of noncompliance noted during the audit of the financial statements.

3. Federal Awards

This section is not applicable for the year ended December 31, 2007.

4. Management Letter

No letter was issued.

## B. FINDINGS FINANCIAL STATEMENT AUDIT

### NONCOMPLIANCE

#### ITEM NO. 2007-1 Budget Monitoring

##### Auditors' Comments

Condition: During the course of the audit for the year ended December 31, 2007, it was noted the Fund failed to amend the General Fund budget although actual expenditures exceeded budgeted expenditures by more than five percent.

Criteria: State Statute requires that budgets be amended when certain conditions exist.

Effect: Failure to amend budgets to recognize anticipated shortfalls or surpluses in funds prevents the governmental body from effectively curtailing or expanding projects and/or services in accordance with actual available resources.

Cause: Although the cause of the above condition was not fully determined the following appears to have a significant effect. Although the Fund makes accruals for payables and receivables at year end, adjustments are not made in the interim period. When significant differences exist between payables and receivables from year to year, the amount of funds that appear to be available or costs that appear to have been incurred can be distorted. Failure to recognize the effect of these differences can lead to variances between budgeted and actual activity.

Recommendation: The Fund should fine tune its ongoing budget monitoring program to periodically consider accruals for major revenues and expenditures and make budget amendments when needed.

Management's Response: Budget variances will continue to be monitored periodically and budget adjustments will be made to the Fund when variances exceed the percentages as specified in state statute.

## C. FINDINGS AND QUESTIONED COSTS - FEDERAL AWARDS PROGRAMS

This section is not applicable for the year ended December 31, 2007.



**SUMMARY OF PRIOR YEAR FINDINGS AND RELATED CORRECTIVE ACTION  
PREPARED BY SIXTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER FUND**

**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL  
STATEMENTS**

**Internal Control and Compliance**

There were no findings in the prior year.

**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

This section is not applicable.

**MANAGEMENT LETTER**

**Finding 2006-ML**

This condition is not longer present.